

**MARKET ANNOUNCEMENT
NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

Date:	13 May 2021
To:	Australian Securities Exchange
Subject:	Letter to shareholders regarding Entitlement Offer

Enclosed is a letter to be despatched later today to shareholders of carsales.com Limited with a registered address in Australia and New Zealand in respect of an Entitlement Offer announced by carsales.com Limited on 12 May 2021.

For further information contact:

Nicole Birman
Company Secretary

This announcement was authorised to be given the ASX by the Company Secretary.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither the entitlements nor the New Shares have been or will be registered under the U.S. Securities Act of 1933, as amended ("**U.S. Securities Act**") or the securities laws of any state or other jurisdiction of the United States.

Accordingly, the entitlements under the Retail Entitlement Offer may not be exercised or taken up by, and the New Shares may not be offered or sold to, directly or indirectly, persons in the United States or acting for the account or benefit persons in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. The New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) of Regulation S under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

Thursday, 13 May 2021

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Dear Shareholder

**CARSALES.COM LIMITED (ASX:CAR)
ANNOUNCEMENT OF ENTITLEMENT OFFER**

carsales.com Limited (**CAR**) has announced a fully underwritten pro-rata accelerated renounceable entitlement offer (with retail rights trading) of new CAR shares (**New Shares**) to raise approximately \$599.9 million (**Entitlement Offer**). The Entitlement Offer comprises an offer for both institutional shareholders and eligible retail shareholders (**Eligible Retail Shareholders**) to participate (**Retail Entitlement Offer**).

If you are an Eligible Retail Shareholder, you will be able to subscribe for 1 New Share for every 6.99 existing CAR ordinary shares held on the Record Date of 7.00pm (Melbourne time) on Monday, 17 May 2021 (**Retail Entitlement**) at the offer price of \$17.00 per New Share (**Offer Price**). Fractional Entitlements will be rounded up to the nearest whole number of shares.

New Shares issued under the Entitlement Offer will be fully paid and rank equally with existing CAR ordinary shares from the date of issue.

The Retail Entitlement Offer opens on Wednesday, 19 May 2021 and is expected to close at 5.00pm (Melbourne time) on Wednesday, 2 June 2021.

From 10.00am on Wednesday, 19 May 2021, Eligible Retail Shareholders will be able to access the Retail Offer Booklet (setting out full details of the Retail Entitlement Offer) and a personalised Entitlement and Acceptance Form online at www.carsalesoffer.com. In addition, on Wednesday, 19 May 2021, Eligible Retail Shareholders will be sent notification by post or email (where they have elected to receive electronic communications) advising them that the offer is open and the Retail Offer Booklet and their personalised Entitlement and Acceptance Form are available to view online at www.carsalesoffer.com.


Retail Entitlements may have value, so please ensure you carefully review the Retail Offer Booklet and Entitlement and Acceptance Form as you will be asked to make a selection whether to take up, transfer, sell or do nothing in respect of your Retail Entitlement.

Further details of the Entitlement Offer are available in the announcements provided to ASX on Wednesday, 12 May 2021, and online at www.carsalesoffer.com.au.

Further Information

For further information regarding the Retail Entitlement Offer, please call the Investor Information Line on 1300 651 575 (within Australia), or +61 3 9415 4694 (outside Australia) between 8:30am and 5:00pm (Melbourne time) Monday to Friday during the Retail Entitlement Offer Period. If you have any questions, please consult your stockbroker, accountant or other independent professional adviser for advice suitable to your individual circumstances.

Yours faithfully



**Nicole Birman
Company Secretary
carsales.com Limited**

carsales.com Limited ABN 91 074 444 018

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IMPORTANT INFORMATION

This letter is not a prospectus or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia and New Zealand. This letter is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any New Shares in CAR.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither the entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended ("**U.S. Securities Act**"), or the securities laws of any state or other jurisdiction of the United States.

Accordingly, the entitlements under the Retail Entitlement Offer may not be exercised or taken up by, and the New Shares may not be offered or sold to, directly or indirectly, persons in the United States or acting for the account or benefit persons in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. The New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) of Regulation S under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.